

Composite Advanced Technologies, LLC
Products
Terms and Conditions

These terms and conditions (the "Terms") apply to the sale of composite cylinders (the "Cylinders"), related accessories and products (the "Products") branded CT-0853 (previously CT-590), CT-0753 (previously CT-520), CT-0840 (previously CT-420), CT-0430 (previously CT-290), and CT-0415 (previously CT-140), by Composite Advanced Technologies, LLC (the "Company"). These Terms are incorporated into all proposals and contracts for the sale of Composite Advanced Technologies, LLC products unless any specific provisions are amended by a mutual written agreement that specifies the provision(s) being amended and that is signed by authorized representatives of Company and the purchaser named (the "Customer") on the written proposal submitted by Company (the "Proposal").

1. **ORDERS:**

A "Contract of Sale" is established by and consists of the Proposal and these Terms upon written acceptance by Customer. The Contract of Sale must specify configuration, quantity, unit price and delivery requirements. Any terms, conditions or purchase order submitted by Customer in any form which is inconsistent, different from or in addition to the provisions of the Proposal or these Terms shall not be binding on Company unless set forth in a written agreement signed by an authorized representative of Company which identifies the specific provisions of these Terms which are modified or affected.

2. **TERMS OF SALE:**

(a) Shipment: Shipping terms shall be as specified in the Proposal. Legal and equitable title to, and risk of loss of, the Product covered by the Proposal shall pass to Customer and shall conclusively be deemed to be delivered to Customer upon transfer of the Products to a carrier for shipment to Customer. Unless otherwise approved in writing by Company, all shipping terms will be FCA Company's dock in Houston, Texas. Unless Customer specifies a particular carrier, carrier selection will be at Company's discretion. Packing and packaging will be in accordance with good commercial practice. Deliveries may be made up to 10 days in advance of scheduled delivery dates. In the event that Company fails to tender the goods on its dock to be picked up by the approved carrier within 45 days after the scheduled delivery date, Customer shall have the right to cancel the Contract of Sale upon written notice given to Company prior to Company's tender of delivery on its dock. Cancellation as provided herein shall be Customer's sole remedy for delay in delivery.

(b) Payment Terms: Payment terms and credit limits shall be as set forth in the Proposal. Company shall have the right, at its sole discretion, by giving notice to Customer, to amend payment terms and/or credit limits that will apply to an order not yet shipped if Company determines in its reasonable discretion that

(i) the credit condition of Customer has deteriorated or is likely to materially deteriorate unless Customer has provided payments security to the satisfaction of Company, (ii) that there has been a material adverse change in general market conditions, (iii) if the sale would increase Customer's outstanding credit balance to an amount greater than the applicable credit limit, or (iv) if Customer is delinquent in making payments for prior deliveries. Customer shall pay Company a service charge equal to the lower of 1.5% per month or the highest amount permitted by law on delinquent payment balances from the due date until the date of payment in full or after 60 days, whichever occurs first. After 60 days customer loses delivery date and delivery will be rescheduled. Payment of service charges in no way relieves Customer of the responsibility for promptly making full payment of all due or past due balances. Customer agrees to reimburse Company for all reasonable attorneys' fees and any other cost associated with collecting delinquent payments.

(c) Inspection and Claim for Damages: Customer will have fifteen (15) days to inspect the Product upon receipt for damage, shortage or defects. Any claim that Customer may have against the carrier for goods lost or damaged in shipment shall be made by Customer directly to the carrier, and Company shall have no liability or obligation for such loss or damage.

(d) Returns: Company is not obligated to accept returns. No Cylinder or accessories may be physically returned without Company's prior written authorization and only under the terms authorized by Company. Unless otherwise agreed, Company will arrange and pay for shipping costs for authorized returns to a facility designated by Company. Customer shall permit Company, or its designated representative, to inspect any Products that Customer has rejected as nonconforming or which Customer has identified as defective at Customer's facility at any time during normal business hours within 30 days of the date of Customer's written notice of nonconformance or defect.

(e) Taxes: Unless Customer provides Company with a proper tax exemption certificate prior to the date of shipping, the price due to Company for the Product will be increased to include any sales, use, value added or similar tax, fee or charge that Company is required to pay in the absence of such certificate. Customer is responsible to pay for any road excise tax applicable for use of the product. Such excise tax is not included in our quotation and is payable before delivery of the goods if collectable by Company.

3. USE; INSPECTION:

Customer, at its sole risk and responsibility, shall assure that Cylinders are mounted and installed and the Products are used and operated in accordance with the regulatory standard of record in country of use, current as of the date of delivery, and shall assure that such installation or mounting or use or operation is nevertheless proper and safe, taking into account any reasonably foreseeable conditions of use. Customer shall operate, maintain, repair, service and use the Cylinder and Products only by qualified personnel in accordance with the most recent version of the Company Operation and Inspection Manuals for the Cylinders or the Products and any revisions indicated by Service Bulletins issued from time to time (the "Operating Manual").

4. LIMITED WARRANTY:

(a) This Limited Warranty covers all Cylinders and Products designed, manufactured or sold by Company. Company does not assume or authorize anyone to make any warranty or assume on its behalf any other obligation or liability in connection with the Products covered by this Limited Warranty. This Limited Warranty is subject to the limitations, disclaimers and restrictions set forth herein. There are no warranties that extend beyond the exact text described in this Limited Warranty. This Limited Warranty is issued to the Customer, and if the Customer is a dealer or distributor of the Products, to the purchaser from the Customer that is the initial End-User of the Product (referred to herein as the "End-User").

(b) Company warrants that each new Cylinder or Product that Company manufactures in the United States or at authorized subcontractors inside or outside of the United States is free of defects in material and workmanship, and meets the standards and specifications set forth on the Proposal for a period equal to one (1) year from the delivery of the Cylinder or Product FCA Company's or authorized subcontractor's dock (the "Warranty Period").

(c) The Cylinders and/or Products may have been authorized by special permit from an agency of the U.S. Department of Transportation (DOT) for a maximum service life from the date of manufacture. Cylinders or Products which are in service upon expiration of the service life are required by law to be retired from use or to be recertified for extended use by the manufacturer. The authorized or certified maximum service life of a Cylinder or Product does not constitute a warranty by Company of the service life of the Cylinders. Company provides no remedy related to the service life of the Cylinders, and the stated maximum service life shall not modify or extend the Warranty Period, nor modify the warranty limitations or the limits of liability.

(d) Company does not warrant the accessories such as valves, plumbing, receptacles, tanks which are purchased by Company from third parties and incorporated into the Product. Company will transfer the warranty of the accessory manufacturer to the End-User to the extent assignable. The accessories may be warranted for a term no longer than the term offered by its manufacturer. The warranty period for accessories will vary based on the type of accessory and the manufacturer. Shipment of replacement accessories or Cylinder or Products under warranty will be made to the same location and as per same INCOTERMS as the Product was delivered pursuant to the agreed shipping terms of the original Contract of Sale for the Product.

(e) Subject to the limitations set forth in Section 4(i) below, for warranty claims made to Company during the Warranty Period, Company shall either repair or replace the defective Cylinder or Product free of charge by Company to the Customer or End-User. Company shall determine in its sole and exclusive discretion whether to repair or replace the defective Cylinder or Product in parts or in whole, which shall be the exclusive remedy available to the Customer or End-User of the Product. All warranty repairs must be completed at a repair facility designated by Company. The End-User shall provide the Cylinder or Product in clean, safely accessible and suitable working conditions with a minimum pressure of 200 psi or 13.80 bar in the cylinder(s) making the Cylinder or Product available for the service work without delay or interruption at the designated service facility.

(f) Company reserves the right to retest or re-inspect any Cylinder, Product or accessory that is claimed to be defective or non-conforming. Company further reserves the right to make the final determination concerning proper disposition of any returned Cylinder, Product and accessories. A Cylinder, Product or accessory replaced by Company shall be deemed to be the property of Company.

(g) This Limited Warranty is personal to the Customer and the End-User and is non-transferrable without written approval of Company. It applies only to defects from workmanship that adversely affect the function of the Product. The Warranty Period shall not be extended beyond the original warranty expiration date even if there is a replacement Cylinder, Product or accessories. The identity of the initial End-User must be registered with Company promptly after sale by Customer if the End-User will be different from the Customer.

(h) The following incidents and circumstances are expressly excluded from this Limited Warranty and shall not be the basis for a claim against Company:

(i) Improper or incorrectly performed maintenance or repair that causes damage to the Cylinder, Product or accessories.

(ii) Damage during shipping, handling and installation, including cosmetic damage to exterior finishes such as scratches, dents, nicks and abrasions that occur after the Product has departed from Company's facility.

- (iii) Labor and other costs incurred in removing the Cylinder from the vehicle and to remove the accessory from the Cylinder or assembly on which it was installed.
- (iv) All shipping and transportation costs for Products returned to Company or shipped to a designated repair facility. Such costs are the responsibility of the End-User and must be prepaid.
- (v) Damage resulting from exposing Cylinders to internal or external environmental factors, contaminants, gas quality, gas conditions, gas impurities or other chemical substances beyond the limitations set forth in the Operating Manual or the applicable standards, and improper use, storage, maintenance and/or negligence. Customer is responsible that the Product is exclusively used with natural gas not having a particulate size larger than 10 micron and meets the requirements of ISO 11515. Liquid formation of gas constituents can damage the Cylinder and accessories or have negative effects on the performance of the Product and as such does void this Limited Warranty.
- (vi) The value of fuel within a Cylinder or Product under any circumstances.
- (vii) Repair or replacement of Cylinders, Products or accessories involved in accidents and/or exposed to fire, excessive heat or impact damage.
- (viii) Accessories such as valves, regulators or any other devices, parts or equipment that are not part of the Cylinder(s) produced by Company, but are attached to or used in conjunction with the Product.
- (ix) Damage to a Cylinder caused by a defective or damaged valve, regulator, device or other accessory.
- (x) Accessories considered to be wear and tear items which are damaged, abused or misused after delivery to the carrier.
- (xi) Damage resulting from failure to strictly adhere to the terms of the Operating Manual, including without limitation:
 - Improper connection to other equipment
 - Use, operation, maintenance and/or service under conditions beyond the limitations set forth in the Operating Manual or the applicable standards, or performed by personnel who are not qualified, trained, or authorized
 - Exposing the Product to physical or environmental conditions beyond the limitations set forth in the Operating Manual or the applicable standards
 - Failure to maintain contemporaneous records as specified in the Operating Manual.
- (xii) Receptacles/connectors to filling/decanting equipment of the Products; normal wear and tear; consumable parts or materials, including bearings, tires, brakes, suspension parts; and any parts or component of the trailer axles mounted to the trailer chassis and any corrosion of metal parts of container or trailer structure not effecting the structural integrity of the Cylinder, Product or accessories.
- (xiii) Damage caused to ball valves who have been exposed to "throttling" the gas flow. Ball valves must be operated in fully open or fully closed condition.
- (xiv) Damage caused to container or trailer structures having exceeded a mileage of 125,000 US miles or 200,000 km.

Ⓜ The following events and circumstances may damage the Cylinder, Product or accessories and shorten the service life of these components, and this Limited Warranty shall immediately terminate:

- (i) Failure to properly install and/or operate the products in accordance with the Operating Manual, including failure to comply with or adhere to modifications, alterations or changes to the products or conditions specified by Company or the applicable standards.
- (ii) Failure to use the Product only for the specific purpose and operating conditions as per applicable standard for which it was designed.
- (iii) Over-pressurizing the Cylinder or Product or accessories, discharging contents below the minimum pressure, or failure to comply with temperature limits, all as set forth in the Operating Manual and the applicable standards.

Ⓜ Customer must advise Company in writing of any warranted defects within the stated Warranty Period and in any case promptly after the defects are discovered. To obtain additional information regarding this Limited Warranty, call Company's technical assistance or visit www.catecgases.com. The caller will be asked to provide the following information: Product part number and part serial number if applicable; Cylinder serial number; maintenance records; and detailed description of the problem. Company reserves the right to subcontract any service and inspection work.

Ⓜ **DISCLAIMER: COMPANY EXPRESSLY DISCLAIMS ALL WARRANTIES EXCEPT THIS LIMITED WARRANTY, WHICH IS THE SOLE AND EXCLUSIVE WARRANTY OF THE CYLINDERS AND PRODUCTS, AND IS IN LIEU OF ALL OTHER WARRANTIES AND STATEMENTS, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, OR STATUTORY. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. COMPANY'S LIABILITY AND CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR CYLINDERS OR PRODUCTS FOR WHICH CUSTOMER GIVES TIMELY NOTICE OF WARRANTED DEFECTS SHALL BE, AT COMPANY'S OPTION, TO EITHER REPAIR OR REPLACE THE CYLINDER OR**

Ø PRODUCT. THE WARRANTY DOES NOT INCLUDE THE COST OF LABOR INCURRED TO REMOVE OR TO REINSTALL THE REPLACEMENT CYLINDER OR ACCESSORIES NOR TRANSPORTATION OR OTHER COST BEYOND THE INCOTERM OF THE MAIN CONTRACT. COMPANY MAY REPLACE ANY ACCESSORY WITH A REFURBISHED PART, AND IS NOT REQUIRED TO REPLACE WITH A NEW PART. EXCEPT AS EXPRESSLY SET FORTH IN THIS LIMITED WARRANTY, ALL PRODUCTS AND ACCESSORIES ARE PROVIDED BY COMPANY "AS IS", "WHERE IS" AND "WITH ALL FAULTS". END-USER WAIVES ALL OTHER REMEDIES, WARRANTIES, GUARANTEES AND OBLIGATIONS OF COMPANY FOR THE CYLINDERS AND PRODUCTS, ANYTHING HEREIN TO THE CONTRARY NOTWITHSTANDING,

(m) This Limited Warranty contains the entire and complete terms of Company's warranty, and supersede all written materials and oral statements. Any modification or amendment of this Limited Warranty must be expressly agreed to in a written instrument signed by Company and the Customer. The warranty provision contained in a Customer's purchase order and/or general terms and conditions are hereby deemed to be rejected and shall not supersede, change, amend or modify this Limited Warranty.

5. ASSIGNMENT:

Customer may not assign the Proposal or Contract of Sale without prior written consent of Company. Customer shall not sell or otherwise allow change of title or possession of the Cylinders or Products to any third party that will use, install, rework or alter the design, resell, rent or lease the Cylinders or the Product unless such third party has agreed in writing to be bound by Customer obligation under these Terms and the sale, rent or lease or other form of change of title or possession has been reported to Company. Further Customer agrees not to sell or otherwise allow the change of title or possession or use of any Cylinder or Product or accessories hereunder to any third party that either is considered or will export the products for any purpose, new or pre-used, to any export controlled or embargoed country, entity or person.

6. LIMITATION OF LIABILITY:

Except as expressly set forth herein, Customer expressly agrees that, notwithstanding any other provisions of these Terms, under no circumstances shall Company have any liability resulting from the performance, failure to perform or breach of any of Company's obligations under the Contract of Sale or from any activity undertaken with respect to the Products covered by these Terms. In particular, COMPANY SHALL NOT BE LIABLE TO CUSTOMER, END-USER OR ANY THIRD PARTY FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, OR SPECIAL COST OR DAMAGES OR LOST PROFITS, SAVINGS OR REVENUES OF ANY KIND THAT MAY ARISE AS A RESULT OF COMPANY'S PERFORMANCE OR FAILURE TO PERFORM UNDER THE CONTRACT OF SALE, WHETHER OR NOT COMPANY WAS OR SHOULD HAVE BEEN AWARE OF THE POSSIBILITY OF SUCH COSTS OR DAMAGES. Any action arising directly or indirectly from a Contract of Sale, whether based on contract, negligence or otherwise, must be commenced within no later than sixty (60) days after expiration of the Warranty Period in the case of a warranty claim that arose during the Warranty Period, or else such claim shall be deemed to be waived.

7. CONFIDENTIALITY:

Each Party shall keep strictly confidential and not disclose, use, divulge, publish or otherwise reveal, directly or through another person, any Confidential Information, except to the extent necessary (i) for the proper performance of the Contract of Sale and the exercise by such Party of its rights under the Contract of Sale and only then on a "need to know" basis; and (ii) as may be required by law; provided, however, that in any such case, each Party shall use its commercially reasonable efforts to ensure that the persons receiving such Confidential Information retain it in strict confidence. "Confidential Information" means the Contract of Sale and the terms thereof, specifically including the price for the Product, specification of the Cylinder or Product and accessories, and all business and technical information disclosed for the purpose contemplated hereunder including any information related to warranty claims and Company's approach to remedy accepted warranty claims.

8. PROPRIETARY INFORMATION:

All trade secrets, know-how, ideas, inventions, designs, schematics, developments, devices, techniques, methods or processes (whether patented or patentable and whether or not reduced to practice) and all patents, patent applications and patent disclosures related thereto owned by Company shall remain the sole property of Company. All processes, technology and other intellectual property relating to the Cylinders and related components invented, developed or otherwise created in connection with the performance of the Contract of Sale for Customer shall be deemed to be owned by Company.

9. INDEMNIFICATION:

Customer shall indemnify and hold Company harmless against any and all legal actions, claims, and judgments resulting from property damage, death or personal injury caused, directly or indirectly, from (a) Customer's failure to operate the Product in accordance with the Operating Manual, as the same may be amended from time to time, (b) installation and removal of a Cylinder from its module; (c) Customer's alteration of any Cylinder or accessory; and (d) Customer's breach of any of its obligations under these Terms, regardless of whether such actions, claims or judgments are based on causes of action in product liability, strict liability, negligence or warranty.

10. PRE-INSTALLATION, PERIODIC and POST ACCIDENT INSPECTION:

Products delivered hereunder have been designed in accordance with the requirements of the standard or the special permit stated on the purchase order. With normal operation Cylinders or Products must be periodically re-inspected in timely intervals and as per procedures established with their Operating Manual and the applicable permit or standard. Cylinders and Products having been involved in accidents having created potential structural damage to the Cylinders or Products or accessories shall be retested by procedures established and executed by Company or its authorized service representatives. Customer is responsible to immediately cease operation of the products, depressurize them and inform the service representative about the incident. Cylinders that exhibit damage or deterioration exceeding Company's recommended limits or that have been subjected to flame or high temperatures associated with a fire or that have extended their service life shall be immediately depressurized and permanently removed from service. Customer agrees that it will inspect all Cylinders prior to installation or Products prior to use and that Customer will not install or sell or lease or otherwise change title or possession or take in use any product that is in damaged condition.

11. FORCE MAJEURE:

Neither party shall be liable in damages or have the right to terminate the Contract of Sale for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to, (i) Acts of God; (ii) lightning, earthquake, hurricane, tornado, windstorm, blizzard, fire, explosion, flood, act of a public enemy, war, blockade, insurrection, riot, act of terrorism or vandalism or civil disturbance; (iii) any labor strike, slowdown, lockout, walk-out, work stoppage or similar labor or industrial action; (iv) an order or judgment of any governmental authority; (v) shortage of raw materials, (vi) the condemnation, taking, seizure, involuntary conversion or requisition of title to or use of any facilities, or any material portion thereof, by action of any governmental authority; (vii) a material adverse change in applicable laws; (viii) the failure of any governmental authority or utility having operational jurisdiction in the area in which any of such facilities are located, to provide and maintain utilities, services, water and sewer lines and power transmission lines to the subject facility, which are required for and essential to the maintenance or operation of such facility; (ix) changes in country trade status or a changes to Customer's status of excluded or denied party listing, and/or (x) any other cause beyond the reasonable control of the party whose performance is affected. As a condition to the claim of no liability, the party experiencing the difficulty shall give the other prompt written notice, with full details following the occurrence of the cause relied upon. Dates by which performance obligations are scheduled to be met will be extended for a period of time equal to the time lost due to any delay so caused.

12. CHOICE OF LAW:

The Contract of Sale shall be governed by and construed in accordance with the laws of the United States of America and the State of Texas. Any claim arising out of the Contract of Sale shall be filed exclusively in a court of competent jurisdiction in Houston, Texas, and the parties hereby consent and submit to the jurisdiction of such court.

13. SEVERABILITY:

If any provision of the Terms is found to be invalid or unenforceable, the parties agree that the remaining provisions shall remain in full force and effect. If the invalid or unenforceable portion is an essential part of the Contract of Sale, the parties will immediately begin negotiations to establish a mutually agreeable replacement provision.

14. FAILURE TO ENFORCE:

If either party fails to enforce any right or remedy available to it under the Terms, such failure shall not be construed as a waiver or relinquishment of any such right or remedy.

15. SECTION HEADINGS:

The section headings in the Terms are inserted for convenience only and are not intended to affect the meaning or interpretation of the Terms or Contract of Sale.

16. ENTIRE AGREEMENT:

The Terms and Contract of Sale constitutes the entire agreement between the parties with respect to the subject matter hereof. All prior negotiations and understandings, whether written or oral, express or implied, relating to the subject matter of the Contract of Sale are merged in, and are superseded and canceled by, the Contract